

Message Text

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22-11
ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 COME-00 OMB-01 TRSE-00

FRB-03 AGR-05 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 /078 R

DRAFTED BY NEA/EGY:GGBROWN:PM

APPROVED BY NEA/EGY:HFMATTHEWS

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R 162129Z DEC 75
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO

C O N F I D E N T I A L STATE 296231

E.O. 11652: GDS

TAGS: EGEN, EG

SUBJECT: EGYPTIAN BALANCE OF PAYMENTS PROJECTIONS

REF: CAIRO 12565

1. DEPT APPRECIATES INFO PROVIDED IN REFTEL. BELOW ARE THE BALANCE OF PAYMENTS PROJECTIONS WE HAVE MADE FOR THE NEXT TWO YEARS WHICH SEEM TO MATCH THE EMBASSY'S ESTIMATES. THERE SEEMS TO BE ONLY A 10 PERCENT VARIATION AND THIS IS PROBABLY DUE TO THE INCLUSION OF THE BARTER AS WELL AS HARD CURRENCY TRANSACTIONS IN OUR ESTIMATES. WE WELCOME THE EMBASSY'S COMMENTS.

1973 1974 1975 1976 1977
(DOLS BILLIONS) ACTUAL ACTUAL EST. PROJ. PROJ.

REQUIREMENTS:

IMPORTS: 1.6 3.1 4.9 5.6 6.3

HARD CURRENCY (1.0) (2.5) (3.9) (4.6) (5.3)

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BARTER (.6) (.6) (1.0) (1.0) (1.0)

SERVICE PAYMENTS:	.4	.5	.6	.4	.5
SOVIET DEBT:	-	.1	.1	.4	.4
CAPITAL REPAYMENTS:	.4	.6	.6	.6	.6
TOTAL	2.4	4.3	6.2	7.0	7.8
	1973	1974	1975	1976	1977
	ACTUAL	ACTUAL	EST.	PROJ.	PROJ.

FINANCING:

EXPORTS:	1.3	1.5	1.3	1.4	1.6
HARD CURRENCY	(.3)	(.6)	(.5)	(.5)	(.6)
BARTER	(1.0)	(.9)	(.8)	(.9)	(1.0)
SERVICE RECEIPTS					
(TOURISM):	.4	.7	.7	.7	.9
SUEZ EARNINGS:	-	-	.1	.3	.4
OIL EARNINGS:	-	-	-	.5	.8

OTHER DONORS:

ARAB	.6	1.2	2.1	2.1	2.1
EEC/JAPAN	-	-	.3	.3	.3
INTERNATIONAL					
ORGANIZATIONS	-	-	.3	.3	.3
SOVIET/CHINA/E.EUROPE	-	-	.1	.2	.2

FOREIGN PRIVATE					
INVESTMENT	-	.2	.2	.3	.4
SHORT TERM BORROWING	-		.4	.6	.4
PRIVATE IMPORT FUNDING	-		.1	.1	.1
U.S. ASSISTANCE					
(SA AND PL-480					
PROGRAM LEVEL)	-		.1	.3	.5
					.7
TOTAL:	2.3	4.2	6.1	7.0	7.8

ASSUMPTIONS:

A. 1975 IMPORT ESTIMATES ARE BASED ON IBRD AND EGYPTIAN FOREIGN EXCHANGE BUDGET STATISTICS. PROJECTIONS FOR 1976 AND 1977 ARE BASED UPON 5 PERCENT GROWTH (REQUIRING A 5

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PERCENT INCREASE IN CONSUMER GOODS AND AN ESTIMATED 20 PERCENT INCREASE IN CAPITAL GOODS) AND 6 - 9 PERCENT INFLATION.

B. EGYPT WILL PAY ITS SOVIET MILITARY DEBT BY SHIFTING FROM HARD CURRENCY TO BARTER TRADE.

C. WESTERN ECONOMIES WILL RECOVER FROM RECESSION.

D. OIL WILL BRING IN 1 MILLION BARRELS/DAY BY 1980.

E. ARAB AID WILL CONTINUE AT APPROXIMATELY PRESENT
PLEDGED LEVELS.

2. WE WILL TRY TO PROVIDE AS SOON AS WE ARE ABLE TO
OBTAIN THEM THE IMF STATISTICS THEY RECEIVED DURING
THEIR LAST CONSULTATION.

INGERSOLL

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